



QUARTERLY FINANCIAL
REPORT MARCH 31, 2016

MBB SE, Berlin

MBB in figures

Three months (unaudited)	2016 IFRS	2015 IFRS	Δ 2016 / 2015
Earnings figures	€ thou	€ thou	%
Revenue	78,216	60,241	29.8
Operating performance	78,926	59,579	32.5
Total performance	79,453	61,333	29.5
Cost of materials	-49,956	-37,248	34.1
Staff costs	-17,382	-13,873	25.3
EBITDA	7,806	6,449	21.0
<i>EBITDA margin</i>	<i>9.9%</i>	<i>10.8%</i>	
EBIT	5,793	4,622	25.3
<i>EBIT margin</i>	<i>7.3%</i>	<i>7.8%</i>	
EBT	5,603	4,363	28.4
<i>EBT margin</i>	<i>7.1%</i>	<i>7.3%</i>	
Consolidated net profit after non-controlling interests	3,689	3,102	18.9
Number of shares	6,600	6,600	
eps in €*	0.56	0.47	19.1
Figures from the statement of financial position	31 Mar € thou	31 Dec € thou	%
Non-current assets	98,622	98,530	0.1
Current assets	135,384	124,044	9.1
there of cash and equivalents**	59,275	53,976	9.8
Issued capital (share capital)	6,587	6,587	0.0
Other equity	85,288	81,152	5.1
Total equity	91,875	87,739	4.7
<i>Equity ratio</i>	<i>39.3%</i>	<i>39.4%</i>	
Non-current liabilities	58,487	60,429	-3.2
Current liabilities	83,644	74,406	12.4
Total assets	234,006	222,574	5.1
Net debt (-) or net cash (+)**	13,899	8,091	71.8
Employees	1,368	1,343	1.9

* Based on the average number of shares outstanding.

** This figure includes physical gold stocks and securities.

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Interim Group Management Report

MBB SE is a family-owned, medium-sized corporation that forms the MBB Group together with its subsidiaries.

Business and economic conditions

According to the forecast of the International Monetary Fund (IMF) of April 2016, global economic growth is expected to reach 3.2% in 2016, after 3.1% in the previous year. The IMF still warns of long-term stagnation as low commodity prices have dampened both consumption and investments, particularly in emerging economies. China is facing another adjustment to its economic structure and will grow by 6.5% this year according to the IMF's estimates. Growth of 2.4% has been anticipated for the USA this year and the eurozone is expected to grow by 1.5% – like Germany.

The sub-markets relevant to MBB grew significantly in some cases in the first quarter of 2016. According to the German Association of the Automotive Industry (VDA), the three most significant car markets Western Europe (+8%), China (+9%) and the USA (+3%) experienced growth. Growth was the result of the fall in oil prices, the strong demand for replacement investments and low interest rates driving the willingness to invest – among other things. A value-added tax cut on cars with less than 1.6 litre engines, which has been effective in China since the autumn of 2015, is also supporting demand.

All of MBB's subsidiaries have sufficient order backlog and constant incoming orders. Catch-up effects were recently apparent in plant engineering, which reported only moderate incoming orders in the first quarter of the previous year.

Results of operations, financial position and net assets

The Group's results of operations, net assets and financial position are positive. In the first three months of the 2016 financial year, the consolidated revenue of the MBB Group was up 29.8% year-on-year at €78.2 million (previous year: €60.2 million). Excluding the Aumann Group acquired at the end of 2015, the MBB Group would have generated revenue of €67.5 million in the first quarter of 2016, which equates to organic growth of 12.1%.

Other operating income of €0.5 million (previous year: €1.8 million) includes income from sales of securities and other income from securities of €0.3 million in addition to other income of €0.2 million.

The ratio of cost of materials to the total operating performance of €78.9 million in the first three months of 2016 (previous year: €59.6 million) slightly increased from 62.5% in the same period of the previous year to 63.3%.

EBITDA (earnings before interest, taxes, depreciation and amortisation) increased by 21.0% to €7.8 million (previous year: €6.4 million). After depreciation and amortisation of €2.0 million, EBIT (earnings before interest and taxes) for the MBB Group amounted to €5.8 million (previous year: €4.6 million). Adjusted for net finance costs of minus €0.2 million, EBT (earnings before taxes) amounted to €5.6 million (previous year: €4.4 million). The consolidated net profit after non-controlling interests was €3.7 million (previous year: €3.1 million) or €0.56 per share (based on an average of 6,586,775 shares outstanding) in the first three months.

The consolidated statement of financial position as at 31 March 2016 reported equity of €91.9 million (31 December 2015: €87.7 million). Based on total consolidated assets of €234.0 million, the equity ratio was therefore 39.3% after 39.4% as at 31 December 2015.

As at 31 March 2016, the MBB Group had financial liabilities of €45.4 million (31 December 2015: €37.1 million) and cash and cash equivalents including securities and physical gold reserves of €59.3 million (31 December 2015: €54.0 million). Accordingly, net cash from the above liabilities and cash positions of the MBB Group amounted to €13.9 million compared to €8.1 million as at 31 December 2015.

Segment performance

The following segments are reported:

- Technical Applications
- Industrial Production
- Trade & Services

Revenue and EBIT in the Technical Applications segment increased substantially. In the first three months of 2016, external revenue in this segment amounted to €46.5 million (previous year:

€32.0 million) and segment EBIT amounted to €4.0 million (previous year: €3.5 million). Excluding the Aumann Group acquired at the end of 2015, segment revenue would have amounted to €35.8 million, which corresponds to organic growth of 11.8%.

The Industrial Production segment saw a slight increase in revenue. In the period from 1 January to 31 March 2016, external revenue in this segment amounted to €21.8 million, after €21.0 million in the same period of 2015. EBIT of €1.0 million saw a year-on-year decrease that was attributable to material price developments. In the same period of the previous year, EBIT of €1.3 million was reported.

Revenue in the Trade & Services segment significantly increased year-on-year to €9.9 million (previous year: €7.2 million). At €441 thousand, segment EBIT also increased as against –€289 thousand in the previous year, which was particularly the result of growth in the attractive area of services.

Employees

The number of people employed by the MBB Group increased by 1.9%, from 1,343 as at 31 December 2015 to 1,368 as at 31 March 2016. In addition, the MBB Group employed 68 trainees as at 31 March 2016.

Report on risks and opportunities

The risks and opportunities for the business development of the MBB Group are described in the Group management report for the 2015 financial year, which is available on our website. There have been no significant changes in the risks and opportunities presented since 31 December 2015. The risk management system of MBB SE is appropriate for detecting risks at an early stage and taking immediate countermeasures.

Supplementary report

There were no significant events after the reporting date.

Report on expected developments

For the 2016 financial year, the Executive Management is forecasting total revenue of between €300 million with earnings of at least €2.00 per share.

The Executive Management considers the Group's equity and liquidity situation a sound premise for a further positive development in the current market environment, both through organic growth and through the acquisition of new companies, while ensuring that it remains in a position to act at all times and even in the event of new global crises.

Berlin, 31 May 2016

The Executive Management

IFRS interim consolidated financial statements for Q1 2016

IFRS consolidated statement of comprehensive income (unaudited)	1 Jan - 31 Mar 2016 € thou	1 Jan - 31 Mar 2015 € thou
Revenue	78,216	60,241
Increase (+) / decrease (-) in finished goods and work in progress	710	-662
Operating performance	78,926	59,579
Other operating income	527	1,754
Total performance	79,453	61,333
Cost of raw materials and supplies	-39,630	-28,098
Cost of purchased services	-10,326	-9,150
Cost of materials	-49,956	-37,248
Wages and salaries	-13,671	-10,330
Social security and pension costs	-3,711	-3,543
Staff costs	-17,382	-13,873
Other operating expenses	-4,309	-3,763
Earnings before interest, taxes, depreciation, and amortisation (EBITDA)	7,806	6,449
Amortisation and depreciation expense	-2,013	-1,827
Earnings before interest and taxes (EBIT)	5,793	4,622
Other interest and similar income	239	159
Interest and similar expenses	-429	-418
Net finance costs	-190	-259
Earnings before taxes (EBT)	5,603	4,363
Income tax expense	-1,590	-1,185
Other taxes	-71	-64
Profit or loss for the period	3,942	3,114
Non-controlling interests	-253	-12
Consolidated net profit	3,689	3,102
Earnings per share (in €)	0.56	0.47

IFRS consolidated statement of comprehensive income (unaudited)	1 Jan - 31 Mar 2016 € thou	1 Jan - 31 Mar 2015 € thou
Consolidated net profit	3,689	3,102
Non-controlling interests	253	12
Profit or loss for the period	3,942	3,114
Items that may be subsequently reclassified to profit and loss		
Currency translation differences	-43	761
Available for sale financial assets	256	235
Other comprehensive income after taxes	213	996
Comprehensive income for the reporting period	4,155	4,110
there of attributable to:		
- Shareholders of the parent company	3,901	4,118
- Non-controlling interests	254	-8

Statement of financial position	31 Mar 2016	31 Dec 2015
Assets (IFRS)	unaudited	audited
	€ thou	€ thou
Non-current assets		
Concessions, industrial property rights and similar rights	5,454	5,606
Goodwill	11,874	11,874
Advance payments	191	153
Intangible assets	17,519	17,633
Land and buildings		
including buildings on third-party land	31,121	31,406
Technical equipment and machinery	18,396	19,442
Other equipment, operating and office equipment	4,717	4,424
Advance payments and assets under development	4,164	3,260
Property, plant and equipment	58,398	58,532
Investment securities	15,929	14,976
Other loans	732	740
Financial assets	16,661	15,716
Deferred tax assets	6,044	6,649
	98,622	98,530
Current assets		
Raw materials and supplies	10,075	8,888
Work in progress	4,334	4,032
Finished goods	10,191	9,419
Advance payments	2,207	948
Inventories	26,807	23,287
Trade receivables	19,423	28,158
Receivables from construction contracts	38,433	27,155
Other current assets	7,375	6,444
Trade receivables and other current assets	65,231	61,757
Gold and commodities	1,810	1,721
Securities	11,777	13,688
Available-for-sale financial assets	13,587	15,409
Cash in hand	20	14
Bank balances	29,739	23,577
Cash in hand, bank balances	29,759	23,591
	135,384	124,044
Total assets	234,006	222,574

Statement of financial position Equity and liabilities (IFRS)	31 Mar 2016 unaudited € thou	31 Dec 2015 audited € thou
Equity		
Issued capital	6,587	6,587
Capital reserve	17,480	17,480
Legal reserve	61	61
Retained earnings	61,812	57,911
Non-controlling interests	5,935	5,700
	91,875	87,739
Non-current liabilities		
Liabilities to banks	28,939	30,738
Other interest bearing liabilities	2,556	2,798
Trade payables	280	280
Other liabilities	280	287
Pension provisions	22,162	22,089
Other provisions	972	1,018
Deferred tax liabilities	3,298	3,219
	58,487	60,429
Current liabilities		
Liabilities to banks	12,993	11,432
Other interest bearing liabilities	888	917
Advance payments received	11,638	7,800
Trade payables	19,650	23,664
Other liabilities	5,070	5,498
Provisions with the nature of a liability	11,609	9,922
Tax provisions	1,552	2,149
Other provisions	20,244	13,024
	83,644	74,406
Total equity and liabilities	234,006	222,574

Consolidated statement of cash flows (unaudited)	1 Jan - 31 Mar 2016 € thou	1 Jan - 31 Mar 2015 € thou
1. Cash flow from operating activities		
Earnings before interest and taxes (EBIT)	5,793	4,622
Adjustments for non-cash transactions		
Write-downs on non-current assets	2,013	1,827
Increase (+) / decrease (-) in provisions	8,934	1,608
Other non-cash expenses / income	-36	-122
	10,911	3,313
Change in working capital:		
Increase (-) / decrease (+) in inventories, trade receivables and other assets	-6,994	-15,216
Decrease (-) / increase (+) in trade payables and other liabilities	-882	1,571
	-7,876	-13,645
Income taxes paid	-1,574	-1,889
Interest received	239	159
	-1,335	-1,730
Cash flow from operating activities	7,493	-7,440
2. Cash flow from investing activities		
Investments (-) / divestments (+) intangible assets	35	28
Investments (-) / divestments (+) property, plant and equipment	-1,800	-1,102
Investments (-) / divestments (+) financial assets	8	7
Investments (-) / divestments (+) of available-for-sale financial assets and securities	1,125	-2,989
Cash flow from investing activities	-632	-4,056
3. Cash flow from financing activities		
Payments to Non-Controlling Interests	-19	-18
Share buy back programme	0	-127
Proceeds from borrowing financial loans	2,530	3,133
Repayments of financial loans	-2,768	-321
Interest payments	-429	-373
Cash flow from financing activities	-686	2,294
Cash and cash equivalents at end of period		
Change in cash and cash equivalents (Subtotal 1-3)	6,175	-9,202
Effects of changes in foreign exchange rates (non-cash)	-7	80
Cash and cash equivalents at start of reporting period	23,591	37,393
Cash and cash equivalents at end of period	29,759	28,271
Composition of cash and cash equivalents		
Cash in hand	20	16
Bank balances	29,739	28,255
Reconciliation to liquidity reserve on 31 Mar		
Cash and cash equivalents at end of period	29,759	28,271
Gold	1,810	1,979
Securities	27,706	22,524
Liquidity reserve on 31 Mar	59,275	52,774

Statement of changes in consolidated equity (unaudited)										
	Issued capital	Capital reserve	Legal reserve	Currency translation difference	Retained earnings			Share of shareholders of MBB SE	Non-controlling interests	Consolidated equity
	€ thou	€ thou	€ thou	€ thou	Available for sale financial assets	Pension reserve	Generated consolidated equity	€ thou	€ thou	€ thou
1 Jan 2015	6,600	17,779	61	-616	1,445	-2,687	52,461	75,043	3,510	78,553
Payments to shareholders	0	0	0	0	0	0	-3,754	-3,754	-79	-3,833
Subtotal	6,600	17,779	61	-616	1,445	-2,687	48,707	71,289	3,431	74,720
Amounts recognised in other comprehensive income	0	0	0	0	-968	225	0	-743	-17	-760
Currency translation difference	0	0	0	23	0	0	0	23	-8	15
Consolidated net profit	0	0	0	0	0	0	11,782	11,782	646	12,428
Total comprehensive income	0	0	0	23	-968	225	11,782	11,062	621	11,683
Treasury shares	-13	-299	0	0	0	0	0	-312	0	-312
Acquisition of Aumann	0	0	0	0	0	0	0	0	1,648	1,648
31 Dec 2015	6,587	17,480	61	-593	477	-2,462	60,489	82,039	5,700	87,739
Payments to shareholders	0	0	0	0	0	0	0	0	-19	-19
Subtotal	6,587	17,480	61	-593	477	-2,462	60,489	82,039	5,681	87,720
Amounts recognised in other comprehensive income	0	0	0	0	256	0	0	256	0	256
Currency translation difference	0	0	0	-44	0	0	0	-44	1	-43
Consolidated net profit	0	0	0	0	0	0	3,689	3,689	253	3,942
Total comprehensive income	0	0	0	-44	256	0	3,689	3,901	254	4,155
31 Mar 2016	6,587	17,480	61	-637	733	-2,462	64,178	85,940	5,935	91,875

Notes to the interim consolidated financial statements

Accounting

The interim financial report of the MBB Group for the period 1 January to 31 March 2016 was prepared on the basis of the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) as adopted in the EU. It was prepared in accordance with IAS 34.

Accounting policies

The accounting policies adopted are the same as those applied in preparing the consolidated financial statements as at 31 December 2015. The preparation of the financial statements is influenced by accounting policies and assumptions and estimates affecting the amount and reporting of recognised assets, liabilities, contingent liabilities and income and expense items. Matters relating to revenue are deferred intra-year.

Segment reporting

The management of the MBB Group classifies the segments as reported in the interim Group management report.

1 Jan - 31 Mar 2016 (unaudited)	Technical Applications	Industrial Production	Trade & Services	Recon- ciliation	Group
	€ thou	€ thou	€ thou	€ thou	€ thou
Revenue from third parties	46,469	21,834	9,913	0	78,216
Other segments	7	17	65	-89	0
Total revenue	46,476	21,851	9,978	-89	78,216
Earnings (EBIT)	4,005	1,000	441	347	5,793
Amortisation and depreciation	760	918	324	11	2,013
Investments	373	901	491		
Segment assets	101,524	9,890	3,735		
Segment liabilities	71,083	5,231	593		

1 Jan - 31 Mar 2015 (unaudited)	Technical Applications	Industrial Production	Trade & Services	Recon- ciliation	Group
	€ thou	€ thou	€ thou	€ thou	€ thou
Revenue from third parties	32,016	21,024	7,201	0	60,241
Other segments	6	2	56	-64	0
Total revenue	32,022	21,026	7,257	-64	60,241
Earnings (EBIT)	3,524	1,259	-289	128	4,622
Amortisation and depreciation	607	889	321	10	1,827
Investments	265	538	271		
Segment assets	82,221	50,929	9,584		
Segment liabilities	62,323	14,045	3,423		

Segment liabilities do not include any liabilities from taxes, finance lease liabilities, or liabilities to banks.

Dividend

At the Annual General Meeting to be held in Berlin on 30 June 2016, the Executive Management and the Board of MBB SE will propose a dividend of €0.59 per entitled share for the 2015 financial year.

Changes in contingent liabilities

There were no changes in contingent liabilities as against 31 December 2015.

Related party transactions

Business transactions between fully consolidated Group companies and unconsolidated Group companies are conducted at arm's-length conditions.

Review

The condensed interim consolidated financial statements as at 31 March 2015 and the interim Group management report were neither audited in accordance with section 317 of the German Commercial Code (HGB) nor reviewed by an auditor.

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the consolidated interim financial statements give a true and fair view of the net assets, financial position and results of operations of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Berlin, 31 May 2016

The Executive Management

Financial Calendar

Annual General Meeting 2016

30 June 2016, 10:00 a.m.

Eventpassage

Kantstr. 8-10, 10623 Berlin, Germany

Half-Year Financial Report 2016

31 August 2016

Quarterly Report Q3/2016

30 November 2016

End of financial year

31 December 2016

We would like to take this opportunity to mention our **RSS feed**, with which you can subscribe to and read the latest news from the company on your computer screen free of charge. This is a quick and convenient way of staying up-to-date: www.mbb.com/RSS.

We would also like to draw your attention to our **MBB newsletter**, which you can subscribe to at www.mbb.com/newsletter. You will then always receive the latest news from MBB SE by e-mail.

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Legal notice

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